



CLIMATE  
CAMPAIGN

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**To:** Air Resources Board (ccplan@arb.ca.gov)  
**From:** Bob Epstein, Environmental Entrepreneurs (Bob@e2.org)  
**Re:** Comments on the May 19th Scenario Planning Workshop  
**Date:** May 30, 2008

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Thank you for the opportunity to submit comments on the May 19<sup>th</sup> Scenario Planning Workshop. We are pleased that CARB is planning to use a mix of regulatory policies and market mechanisms to meet the AB32 targets and timelines. We look forward to hearing the results of your economic modeling efforts.

We were very encouraged by David Roland Holst's comments about his ability to use the BEAR model to model the impacts of offsets on innovation. We strongly encourage CARB to include this modeling in its overall modeling efforts. The state of California expects innovation to be one of the benefits of AB32. *ARB's policy decision on offsets will have a strong impact on innovation in California.*

AB32 states that "investing in the development of innovative and pioneering technologies will assist California in achieving the 2020 statewide limit on emissions of greenhouse gases established by this division<sup>1</sup> and will provide an opportunity for the state to take a global economic and technological leadership role in reducing emissions on greenhouse gases."<sup>2</sup> *By properly designing the policy on offsets to encourage innovation, ARB can facilitate California's path to global leadership on innovation and technology development. This leadership will be a driver for California's economic growth.*

We believe that to encourage innovation in the capped sectors, offsets must be limited in quantity, limited by geographic region, and allowed only in the early years. For those sectors not covered by the emissions cap, a voluntary offset market could spur innovation in the early years.

Thank you for considering these comments.

Sincerely,

Bob Epstein  
Environmental Entrepreneurs

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<sup>1</sup> I.e., Division 25.5 which is added to the Health and Safety Code as Division 25.5: The California Global Warming Solutions Act of 2006 (California Health and Safety Code § 38500 et. seq.)

<sup>2</sup> California Health and Safety Code § 38501(e)